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Minister of Finance Tables Notice of Ways and Means Motion to Implement Budget 2006 Measures

Related Document:

- Notice of Ways and Means Motion to Implement Certain Provisions of the Budget Tabled in Parliament on May 2, 2006

Minister of Finance Jim Flaherty today tabled a Notice of Ways and Means Motion in the House of Commons to implement certain measures proposed last week in Budget 2006. These measures include:

- Reducing the goods and services tax (GST) and the federal component of the harmonized sales tax to 6 per cent, effective July 1, 2006.
- Providing all families $100 per month for each child under 6, starting July 2006 under the new Universal Child Care Benefit.
- Legislating a permanent reduction in the lowest personal income tax rate to 15.5 per cent from 16 per cent as of July 1, 2006, and confirming that the rate will be 15 per cent from January 1, 2005 until June 30, 2006.
- Increasing the basic personal amount—the amount that all Canadians can earn without paying federal income tax—above its currently legislated level for 2005, 2006 and 2007.
- Increasing the maximum annual Child Disability Benefit (CDB), effective July 2006.
- Extending eligibility for the CDB to middle- and higher-income families caring for a child who is eligible for the disability tax credit, effective July 2006.
- Boosting the maximum amount of the refundable medical expense supplement, effective January 1, 2006.
- Exempting donations of publicly listed securities to public charities from capital gains tax, effective May 2, 2006.

- Exempting donations of ecologically sensitive land made under the Ecological Gifts Program from capital gains tax, effective May 2, 2006.
- Reintroducing the mineral exploration tax credit for the period May 2, 2006 to March 31, 2007.
- Reducing the general corporate income tax rate to 19 per cent from 21 per cent by 2010.
- Eliminating the corporate surtax for all corporations as of January 1, 2008.
- Eliminating the federal capital tax as of January 1, 2006.
- Extending carry-forward periods to 20 years for non-capital losses and investment tax credits.
- Eliminating the federal excise tax on jewellery, effective May 2, 2006.
- Harmonizing various accounting, interest, penalty and related administrative and enforcement provisions across tax statutes, effective April 1, 2007.
- Adjusting excise levies on tobacco and alcohol to offset the impact of the GST rate reduction, effective July 1, 2006.

The Notice tabled today also includes the following measures, which were originally announced in Budget 2005:

- A tax deferral in respect of certain patronage dividends paid by agricultural cooperatives.
- A new tax credit for adoption expenses.
- Responding to recommendations of the Technical Advisory Committee on Tax Measures for Persons with Disabilities concerning the eligibility criteria for the disability tax credit and the expenses eligible for the disability supports deduction.
- Expanding the list of expenses eligible for the medical expense tax credit, and clarifying the eligibility of home renovation and construction expenses for this credit.
- Doubling the amount of disability-related and medical expenses that can be claimed by a caregiver.

Budget 2006 also included a number of tax relief measures that are not included in this Notice. A future bill will include legislation to implement these measures, which include:

- The new Canada Employment Credit.
- The Children's Physical Fitness Tax Credit.
- Various other measures in support of students, apprentices and tradespeople.

- Extension of the $500,000 lifetime capital gains exemption and various intergenerational rollovers to fishers.

- Excise duty relief on Canadian wines and beer produced by small brewers.

The Notice can be viewed free of charge on the Department of Finance website. Printed copies can be purchased for $10 from the Department of Finance Distribution Centre at (613) 995-2855.

Further information on Budget 2006 is available on the Department of Finance website.

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